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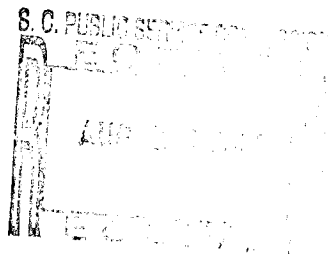
August 29, 2005

VIA ELECTRONIC AND 1ST CLASS MAIL SERVICE

The Honorable Charles L.A. Terreni
Chief Clerk

South Carolina Public Service Commission

P.O. Drawer 11649
Columbia, SC 29211



RE: Application of Fonix Telecom, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Interexchange and Local Exchange Telecommunications Services, for Flexible Rate Structure for Local Exchange Exchange Service Offerings First Approved in Docket 97-467-C and for Alternative Regulation First Approved in Docket No. 95-661-C
Docket No. 2005-192-C, Our File No. 1052-10317

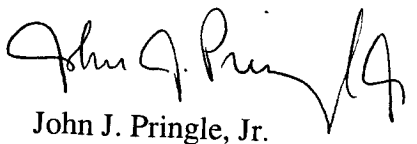
Dear Mr. Terreni:

Enclosed is the original and twenty-five (25) copies of the **Testimony of Michael Britt** filed on behalf of Fonix Telecom, Inc. in the above-referenced docket.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the enclosed envelope.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,


John J. Pringle, Jr.

JJP/cr

cc: Mr. Michael E. Britt [via first-class mail service]
Monica Haab, Esquire [via first-class mail service]
Office of Regulatory Staff [via electronic and first-class mail service]

Enclosures

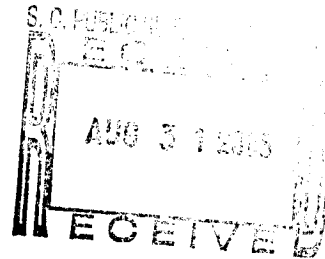
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**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2005-192-C

In the Matter of:

APPLICATION OF **FONIX TELECOM, INC.** FOR A
CERTIFICATE OF PUBLIC CONVENIENCE AND
NECESSITY TO PROVIDE RESOLD AND FACILITIES-
BASED INTEREXCHANGE AND LOCAL EXCHANGE
TELECOMMUNICATIONS SERVICES, FOR FLEXIBLE
RATE STRUCTURE FOR LOCAL EXCHANGE SERVICE
OFFERINGS FIRST APPROVED IN DOCKET NO. 97-467-C
AND FOR ALTERNATIVE REGULATION FIRST
APPROVED IN DOCKET NO. 95-661-C



**TESTIMONY OF MICHAEL BRITT
ON BEHALF OF
FONIX TELECOM, INC.**

1 **Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A:** My name is Michael Britt and my business address is 9350 South 150 East, Suite 700, Sandy, UT
3 84070.

4 **Q: BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 **A:** I am Vice President of Regulatory & Channel Development for Fonix Telecom, Inc.

6 **Q: IS THE ADDRESS OF THE COMPANY THE SAME AS THAT WHICH YOU HAVE JUST**
7 **SUPPLIED?**

8 **A:** Yes.

9 **Q: PLEASE DESCRIBE YOUR DUTIES FOR THE COMPANY.**

10 **A:** I am in charge of all regulatory compliance matters of the Company, as well as acting as liaison
11 with applicable governmental agencies.

12

1 **Q: COULD YOU PROVIDE A BRIEF BACKGROUND OF YOUR EDUCATION AND**
2 **EXPERIENCE?**

3 A: Yes. A copy of my profile setting forth my experience and educational background was attached to the
4 Company's Application as **Exhibit E**.

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

6 A. The purpose of my testimony is to present evidence describing the technical, managerial and financial
7 fitness of Fonix to provide resold and facilities-based local exchange and interexchange
8 telecommunications services in South Carolina. This testimony will also describe the services
9 proposed by Fonix and the proposed tariff structure. Finally, the purpose of my testimony is to show
10 that the public interest will be served by approval of the application of Fonix for a certificate of public
11 convenience and necessity.

12 **Q: ARE YOU FAMILIAR WITH THE APPLICATION OF YOUR COMPANY**
13 **SUBMITTED TO THIS COMMISSION AND ALL EXHIBITS ATTACHED THERETO?**

14 A: Yes.

15 **Q: DO YOU RATIFY AND CONFIRM THE STATEMENTS AND REPRESENTATIONS**
16 **MADE IN THAT APPLICATION AND ALL EXHIBITS ATTACHED THERETO?**

17 A: Yes.

18 **Q: DO YOU WISH TO INCORPORATE BY REFERENCE ANY DOCUMENTS INTO THIS**
19 **TESTIMONY?**

20 A: Yes. I wish to incorporate by reference the underlying Application filed in this proceeding and its
21 associated exhibits.

22 **Q. HAS FONIX REGISTERED TO DO BUSINESS IN SOUTH CAROLINA?**

23 A. Yes. Fonix received foreign corporation authority on June 1, 2005. A copy of the Certificate of
24 Authorization was attached to the Application as Exhibit "C".
25

1 **Q: PLEASE DESCRIBE THE SERVICES THAT THE COMPANY INTENDS TO PROVIDE**
2 **WITHIN THE STATE OF SOUTH CAROLINA.**

3 A: The Company seeks authority to operate as a reseller of intrastate interexchange services, and as a
4 reseller and facilities-based provider of competitive local exchange telecommunications services,
5 to residential and business customers. Fonix has not installed, nor does it intend to install any
6 transmission facilities or plant in the State of South Carolina, but does intend to offer unbundled
7 network elements from the ILEC. The Company's services are available twenty-four (24) hours
8 per day, seven (7) days a week. Intrastate service is offered in conjunction with interstate service.

9 **Q: WHICH CARRIER WILL SERVE AS THE COMPANY'S UNDERLYING CARRIER?**

10 A: The Company's underlying carrier for local exchange services will be BellSouth
11 Telecommunications ("BellSouth") in South Carolina. The Company will resell the interexchange
12 services of MCI/UUNet, Global Crossing or other certificated carriers.

13 **Q: WHAT SERVICES DO THE UNDERLYING CARRIERS PROVIDE TO THE**
14 **COMPANY?**

15 A: The underlying carriers will initially provide all the facilities over which the Company's long
16 distance and local exchange services are carried.

17 **Q: HOW IS THE RESALE OF INTEREXCHANGE SERVICES EFFECTED?**

18 A: The Company purchases service at a discount from the underlying interexchange carrier(s) and
19 then resells the service under its own brand name to the public.

20 **Q. DOES FONIX OWN ANY NETWORK SWITCHES OR TRANSMISSION FACILITIES**
21 **USED IN ROUTING CALLS?**

22 A. Fonix does not currently owned any facility used in routing calls, but does intend to deploy
23 facilities necessary for provision of service. The Company intends to initially lease the ILEC
24 facilities necessary to offer unbundled network elements (UNEs).
25

1 **Q. HOW WILL FONIX BILL FOR ITS SERVICES?**

2 A. Calls are billed directly by the company on a monthly basis.

3 **Q. HOW ARE TROUBLE REPORTS HANDLED?**

4 A. Fonix utilizes a nationwide toll-free number (1-866-486-4733) for customer service. Customers
5 may call that number twenty-four (24) hours a day seven (7) days a week. This toll-free number is
6 printed on customer billing statements.

7 **Q. HOW ARE BILLING ERRORS AND COMPLAINTS HANDLED?**

8 A. The Customer Service Department is open during normal business hours (8:00 am to 5:00 pm,
9 Monday through Friday). Customer service representatives are prepared to respond to a broad
10 range of service matters, including 1) the types of services offered, and the rates associated with
11 such services; 2) monthly billing statements; 3) problems or concerns pertaining to a customer's
12 current service, and 4) general telecommunications matters.

13 **Q: HOW LONG HAS THE COMPANY BEEN IN BUSINESS?**

14 A: Fonix was established on November 12, 2004.

15 **Q: DOES THE COMPANY HAVE OFFICES IN SOUTH CAROLINA?**

16 A: No. The company does not intend to have offices in South Carolina. Accordingly, the company
17 requests, pursuant to Commission Rule 103-610, that the Commission authorize the company to
18 keep its books and records out of state. Upon request, the company will provide such books and
19 records to the Commission and the Office of Regulatory Staff ("ORS") on an expedited basis and
20 at the company's expense.

21 **Q: ARE YOU FAMILIAR WITH THE TARIFF SUBMITTED AS AN EXHIBIT TO THE**
22 **APPLICATION?**

23 A: Yes.

24 **Q: WAS THE TARIFF PREPARED BY YOU OR UNDER YOUR SUPERVISION?**

25 A: Yes. It was prepared under my supervision.
26

1 **Q: IN YOUR OPINION, ARE YOUR PROPOSED RATES CONTAINED IN THE TARIFF**
2 **JUST AND REASONABLE?**

3 A: Yes.

4 **Q: WILL THE COMPANY PROVIDE ANY EQUIPMENT OR FACILITIES IN**
5 **CONNECTION WITH ITS SERVICES?**

6 A: Yes. Fonix does intend to own, operate, control or manage telecommunications transmission
7 facilities within the State of South Carolina in the near future.

8 **Q. DESCRIBE THE PROPOSED FONIX SOUTH CAROLINA TARIFFS.**

9 A. Fonix has included proposed interexchange and local exchange tariffs, which contain the rules,
10 regulations and rates for Fonix's services. Fonix proposes to resell interexchange telecommunications
11 services including travel card service available through toll-free access. With respect to local
12 exchange services, Fonix will provision a variety of unbundled services. Services will be provided to
13 both residential and business Customers. Applicant also proposes to offer intrastate long distance
14 services in conjunction with interstate services. Fonix's services are not mileage sensitive. I believe
15 that Fonix's tariffs will comport with all Orders, Rules and Regulations of the Commission, and Fonix
16 will make all changes suggested by the Office of Regulatory Staff necessary to comply with all such
17 applicable authority. Should the Application be granted, Fonix plans to commence offering service
18 immediately upon the execution of the appropriate and necessary interconnection agreement(s) with
19 the appropriate Incumbent Local Exchange Carriers ("ILECs").

20 **Q. WHAT REGULATORY TREATMENT IS FONIX SEEKING FOR ITS LOCAL EXCHANGE**
21 **SERVICES?**

22 A. Fonix requests that the Commission allow it to employ a flexible local exchange rate structure first
23 authorized by Order No. 98-165 in Docket No. 97-467-C. Specifically, Fonix requests that the
24 Commission: a) adopt for its local exchange services a competitive rate structure incorporating

1 maximum rate levels with the flexibility for rate adjustment below the maximum rate levels; and b)
2 presume that Fonix's tariff filings for local exchange services be valid upon filing, subject to the
3 Commission's authority, within thirty (30) days, to institute an investigation of such filings. At the
4 discretion of the Commission such filings may be suspended pending further order of the Commission
5 and any such filings may be subject to the same monitoring process as the Commission applies to
6 other, similarly situated carriers.

7 **Q: WHAT REGULATORY TREATMENT IS FONIX SEEKING FOR ITS**
8 **INTEREXCHANGE SERVICES?**

9 A: Fonix requests that its business service offerings be regulated pursuant to the procedures described and
10 set forth in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by Order No. 2001-
11 997 in Docket No. 2000-407-C. Specifically, Fonix requests that the Commission regulate its
12 business services in the same manner as the Commission regulates those of AT&T Communications of
13 the Southern States, Inc. ("AT&T"). Further, Fonix requests that the Commission: a) Remove the
14 maximum rate tariff requirements for Fonix' business services and future private line, and customer
15 network-type offerings; b) Presume that Fonix' tariff filings for these services be valid upon filing.
16 However, if the Commission institutes an investigation of a particular filing within seven (7) days, the
17 tariff filing will be suspended until further order of the Commission; and c) Grant Fonix the same
18 treatment as AT&T in connection with any future relaxation of the Commission's reporting
19 requirements.

20 **Q: WHERE DOES THE COMPANY ANTICIPATE OFFERING ITS SERVICES IN SOUTH**
21 **CAROLINA?**

22 A: The Company intends to offer its interexchange services on a statewide basis. Local exchange
23 services will be offered in the geographic service territory of BellSouth.
24

1 **Q: DOES THE COMPANY OFFER OPERATOR SERVICES?**

2 A: Fonix will offer operator services on a resale basis.

3 **Q: HOW WILL THE COMPANY MARKET ITS SERVICES?**

4 A: The Company will market its services by using independent agents and/or in-house sales
5 representatives.

6 **Q: IS THE COMPANY CERTIFIED OR OTHERWISE AUTHORIZED TO PROVIDE RESALE**
7 **SERVICES OF THE TYPE DESCRIBED HEREIN IN ANY OTHER STATES?**

8 A: No. Fonix is not currently authorized in any state, but is pending certification in Florida, Georgia,
9 and North Carolina.

10 **Q: IN WHAT OTHER STATES WILL THE COMPANY SEEK WHATEVER APPROVALS**
11 **ARE NECESSARY?**

12 A: Fonix is currently pending certification in Florida, Georgia, and North Carolina.

13 **Q: WHY DOES THE COMPANY WANT TO COMMENCE OPERATIONS IN SOUTH**
14 **CAROLINA?**

15 A: The Company intends to provide services throughout the BellSouth region.

16 **Q: IN YOUR OPINION, WHY IS THE COMPANY'S SERVICE IN THE PUBLIC**
17 **INTEREST?**

18 A: Allowing Fonix to provide service within the State of South Carolina promotes competition within
19 the telecommunications industry, which has been shown to result in the offering of higher quality
20 services at lower prices.

21 **Q: IS THE COMPANY WILLING AND ABLE TO CONFORM TO THE CONSTITUTION**
22 **AND LAWS OF THE STATE OF SOUTH CAROLINA AND TO THE RULES AND**
23 **REGULATIONS OF THE COMMISSION, UNLESS APPLICATION OF SUCH RULES**
24 **OR REGULATIONS IS SPECIFICALLY WAIVED BY THE COMMISSION?**

25 A: Yes.

1 **Q: WILL THE COMPANY FILE ALL APPLICABLE REPORTS AS REQUIRED BY THE**
2 **COMMISSION?**

3 A: Yes. Fonix is aware of the Commission's requirements that all telecommunications carriers file a
4 report on South Carolina operations, a gross receipts report, and a universal service contribution
5 report on an annual basis.

6 **Q. DESCRIBE FONIX'S FINANCIAL ABILITY TO OPERATE AS A**
7 **TELECOMMUNICATIONS PROVIDER.**

8 A. Fonix has the financial support of its parent company necessary to ensure its start up operations as a
9 telecommunications company. The parent company's financial statements were included in the
10 Application as Exhibit D.

11 **Q: DOES THE APPLICANT POSSESS THE MANAGERIAL AND TECHNICAL**
12 **QUALIFICATIONS, EXPERIENCE AND PERSONNEL TO PROVIDE THE PROPOSED**
13 **PUBLIC TELECOMMUNICATIONS SERVICES?**

14 A: Yes, Fonix has a team of experienced managers and officers, as evidenced by the Management
15 Profiles submitted as Exhibit E to the original application.

16 **Q: BASED ON THE APPLICANT'S EXPERIENCE IN PROVIDING SERVICES, IS IT**
17 **ECONOMICALLY FEASIBLE FOR APPLICANT TO PROVIDE THE SERVICE**
18 **PROPOSED IN SOUTH CAROLINA SUCCESSFULLY AND CONTINUOUSLY?**

19 A: Yes.

20 **Q: DOES THIS COMPLETE YOUR TESTIMONY IN SUPPORT OF YOUR APPLICATION?**

21 A: Yes.

22 **Q: WILL YOU REMAIN AVAILABLE TO RESPOND TO ADDITIONAL QUESTIONS**
23 **FROM THE COMMISSION OR THE ORS REGARDING YOUR APPLICATION IF**
24 **NECESSARY?**

25 A: Yes.